



Patrick W. Henning, Director  
March 25, 2008  
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Arnold Schwarzenegger  
Governor

Mr. Elliot Robinson, Director  
Monterey County Department of Employment and Social Services  
1000 South Main Street, Suite 209A  
Salinas, CA 93901

Dear Mr. Robinson:

**WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2007-08**

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the Monterey County Department of Employment and Social Services' (DESS) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Ms. Mechelle Hayes from October 22, 2007, through October 26, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by DESS with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with DESS representatives and service provider staff. In addition, this report includes the results of our review of selected case files, DESS' response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on February 29, 2008, and reviewed your comments and documentation before finalizing this report. Because your

response adequately addressed findings 1, 2, and 3 cited in the draft report, no further action is required at this time. However, these issues will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 80057, 80058, and 80059.

## **BACKGROUND**

The DESS was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, DESS was allocated: \$1,988,399 to serve adult participants; \$2,069,180 to serve youth participants; and \$1,779,234 to serve dislocated worker participants.

For the quarter ending September 30, 2007, DESS reported the following expenditures for its WIA programs: \$350,188 for adult participants; \$306,257 for youth participants; and \$511,141 for dislocated worker participants. In addition, DESS reported the following enrollments: 216 adult participants; 206 youth participants; and 187 dislocated worker participants. We reviewed case files for 40 of the 609 participants enrolled in the WIA program as of October 22, 2007.

## **PROGRAM REVIEW RESULTS**

While we concluded that, overall, DESS is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: 90-day gap in service, WIA application, and supportive service. The findings that we identified in these areas, our recommendations, and DESS' proposed resolution of the findings are specified below.

### **FINDING 1**

**Requirement:** WIA Section 185(c)(2) states, in part, that each local board and recipient receiving funds shall maintain comparable management information systems (MIS), designed to facilitate the uniform compilation and analysis of programmatic, participant and financial data necessary for monitoring and evaluating purposes.

In addition, WIA Section 185(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

The Department of Labor, Training and Employment Guidance Letter (TEGL) 17-05 states, in part, that the term, program exit, means a participant has not received a service funded by the program or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services. The exit date is the last date of service.

Additionally, TEGL 17-05 states, in part, that once a participant has not received any WIA funded or partner services for 90 days (except follow-up services, and there is no planned gap in service or the planned gap in service is for reasons other than those related to health/medical condition and delay in training) that participants must be exited from WIA. The exit date is the last date of WIA funded or partner received services.

**Observation:**

We found that 12 of 40 case files included gaps in service that ranged between 91 and 387 days. Although DESS attempted to contact many of these participants through the mail, e-mail, and telephone messages, no services were provided to these 12 participants. Six of the twelve participant case files included notes stating that an exit was being considered.

Subsequent to our review, DESS provided information indicating that 2 of 12 participants were exited, but DESS did not provide documentation substantiating these exits.

**Recommendation:**

We recommended that DESS provide the Compliance Review Division (CRD) with a corrective action plan (CAP), including a timeline, explaining how it will ensure that, in the future, no more than 90 days will lapse without providing and documenting services provided to participants, or exit the participants as of the last date of receipt of service.

In addition, we recommended that DESS provide CRD with documentation to demonstrate that services are being provided to the twelve participants noted above or that they were exited from the WIA program. Furthermore, we recommended that DESS review all current case files and take action similar to the above case files.

**DESS Response:**

The DESS stated that all active case files will be reviewed by the responsible supervisor. After the supervisor review, case

managers will take responsibility for future accuracy and integrity of case files. Included in the case manager responsibility is the requirement that a recognized service be provided and notes in the case file be updated at least monthly. If after continuous attempts are made, and noted in the case file, for two months, the case manager will notify the supervisor. The case manager supervisor will take further action to contact the customer which may include working with the special unit designed to work with cases where customer responsiveness has become an issue. If no services are provided for 90 days, the case will be closed and an exit will occur back to the last date of service. The "ALL FILE" review will be completed by March 31, 2008.

Additionally, DESS provided CRD with WIA exit forms for all twelve participants noted above.

**State Conclusion:** The DESS' stated corrective action should be sufficient to resolve the portion of the finding related to the 12 participant case files noted above. However, we cannot close this issue until we verify, during a future onsite visit, DESS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80057.

## **FINDING 2**

**Requirement:** 20 CFR Section 663.105 states, in part, that registration is the process for collecting information to support a determination of eligibility. Adults and dislocated workers who receive services under title I other than self-service or informational activities must be registered and determined eligible.

20 CFR Section 667.300(b)(1) states, in part, that a State may impose different forms or formats, shorter due dates, and more frequent reporting requirements on subrecipients.

WIAD04-17 states, in part, that the WIA subgrantee will complete an application form to gather demographic and eligibility data when a client initially applies for the WIA program. The Enter WIA Application Form (EWIR) is used to record basic individual characteristics and to record this information into the Job Training Automation (JTA) system. It is also used to

determine eligibility as required by the WIA program. Once the application form has been completed, the form will be reviewed with the client and the client will sign the application form. The client's signature constitutes the client's certification that the WIA application information is true and correct.

**Observation:** We found that the WIA Application participant signature line in 6 of 40 case files stated "see signature on pre-app." However, the DESS pre-application does not include all of fields contained in the WIA application. For example, the DESS pre-application does not include fields regarding concurrent participation, substance abuse, basic skill deficient, or Pell grant recipient.

**Recommendation:** We recommended that DESS provide CRD with a CAP, including a timeline, to ensure that the application form signed by the participant includes all the information required on EWIR.

**DESS Response:** The DESS stated that it is in the process of updating the Virtual One-Stop case management system with a completion date in the spring of 2008. As a part of the process, DESS is updating all forms including the "Pre-Application for One Stop Services." All information detailed on the WIA application will be included on this form. In most cases the WIA printed application will be signed, but if the customer is not available when the final WIA application is printed, the "Pre-Application" will have the same data available for the customer to certify.

**State Conclusion:** The DESS' stated corrective action should be sufficient to resolve this issue and no further corrective action is required at this time. However, we cannot close this issue until we verify, during a future onsite visit, DESS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80058.

### **FINDING 3**

**Requirement:** 29 CFR Section 97.20(b)(3) states, in part, that effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets.

**Observation:** We found a participant case file where two supportive service claim forms were pre-signed by the participant. One claim form was dated August 17, 2007, and the other was undated.

Subsequent to the review, DESS provided an e-mail dated February 4, 2005, and addressed to staff, that stated "it has been brought to my attention [the deputy director] that it is common practice for staff to facilitate the Supportive Services request process by requesting a program participant to "pre-sign" several blank claim forms. This practice has been identified by Fiscal Monitors as fraudulent and shall be terminated immediately."

**Recommendation:** Although DESS had instructed staff on February 4, 2005, to discontinue its practice of pre-signing supportive service claim forms, the practice still appears to be in effect. Therefore, we recommended that DESS provide CRD with a CAP, including a timeline, to ensure that, in the future, DESS staff does not obtain supportive service claim forms pre-signed by the participant. Additionally, we recommended that DESS review its case files and remove all pre-signed supportive service claim forms.

**DESS Response:** The DESS stated that all active case files will be reviewed by the responsible supervisor. After the supervisor review, case managers will take responsibility for future accuracy and integrity of case files. Part of the case file review will include the removal of any signed blank documents by the customer. It is against DESS policy to have a customer sign a blank document. If a signed blank document is found, the case manager responsible for the file will be considered for disciplinary action. The "ALL FILE" review will be completed by March 31, 2008.

**State Conclusion:** The DESS' stated corrective action should be sufficient to resolve this issue and no further corrective action is required at this time. However, we cannot close this issue until we verify, during a future onsite visit, DESS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80059.

In addition to the findings above, we identified a condition that may become a compliance issue if not addressed. Specifically, some participant case files contained only national or state-wide labor market information to support the provision of training services. We suggested that DESS maintain, in the participant's case file, documentation demonstrating that training is directly linked to the employment

opportunities in either the local area or in another area to which the participant is willing to relocate.

In its response, DESS stated that as part of the case file review described under Findings 1 and 3, the labor market information used to support training would be reviewed. The DESS' response adequately addressed our concern.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is DESS' responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain DESS' responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Ms. Mechelle Hayes at (916) 654-8015.

Sincerely,



JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Division

cc: Shelly Green, MIC 45  
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